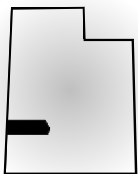


County Trends



Beaver

June 2003

A Local Economic Perspective

Beaver County's Wild Ride...

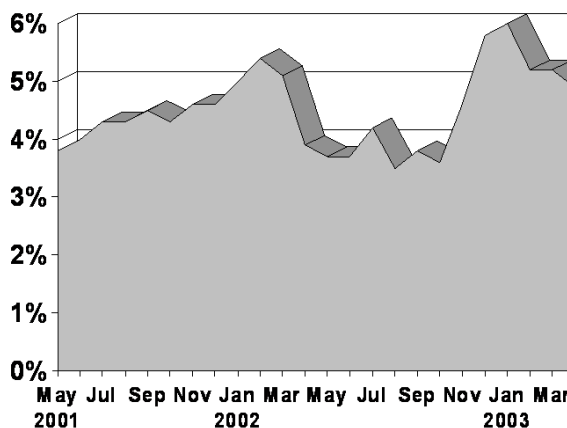
Beaver County's economic indicators seem to be taking one long roller coaster ride. Growth is moderate one quarter only to fade away during the next quarter.

Labor Market Dive

At almost 6 percent, job growth in Beaver County during the third quarter of 2002 was strong enough to warm the cockles of a tough economist's heart. But, continued growth was not in Beaver County's economic cards. By year-end, the county was losing nonfarm jobs once again. Between December 2001 and December 2002 (the most current figures available), employment dropped by 1 percent—a decrease of 20 positions. Beaver County seems unable to settle into any sort of trend.

Fortunately, Beaver County encompasses a large number of agricultural jobs that are covered by the unemployment insurance laws (the source of our data). When these positions are added to nonfarm jobs, the county's employment totals move into positive territory with a 1-percent job gain. In fact, "covered" agriculture made, by far, the largest employment gain of any major industry. Increases in health care and retail trade coupled with some new government employment proved the only other noticeable gains.

Seasonally Adjusted Beaver County Unemployment Rates

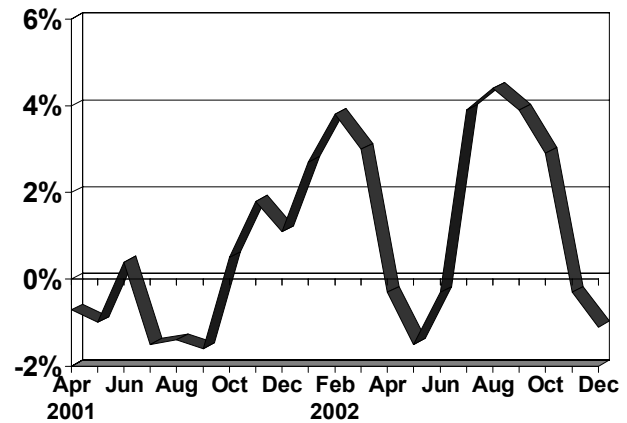


Source: Utah Department of Workforce Services.





Year-Over Change in Beaver County Employment



Source: Utah Department of Workforce Services.

To the Point

Beaver County's economic indicators are manifesting some rather erratic behavior. Job growth has proved unexpectedly inconsistent. Only growth in "covered" agricultural employment saved the county from a declining employment base in the final quarter of 2002. Upcoming construction should provide Beaver County with a welcome economic boost.

Job-losing categories appeared much more inclusive. Accommodation/food services took the largest employment drain. Transportation, manufacturing, and construction also lost a significant number of jobs.

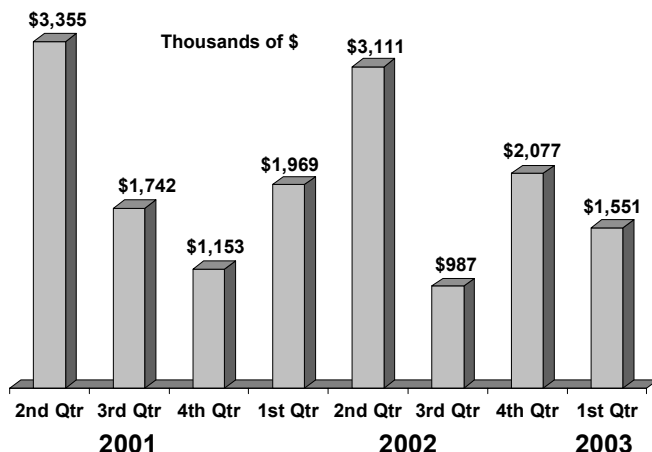
Last quarter, an apparent split occurred between job growth and unemployment. Job growth was robust while unemployment continued to rise. I tried to explain this apparent dichotomy away due to data timing—unemployment figures are more current than job-growth numbers. At least this time, this explanation appears correct. The fourth quarter decline in jobs ran concurrent with a rise in unemployment—just what you'd expect.

The jobless rate for the first part of 2003 has moderated, suggesting job growth should be better as 2003 figures are available. The most current unemployment rate—April 2003—shows Beaver County joblessness at 4.9 percent—lower than both the state (5.3 percent) and national (6.0 percent) rates.

Construction Slips

While the recent ups-and-downs of Beaver County's employment base are unusual, we expect an erratic construction performance. And, those expectations were certainly met during the first quarter of 2003. While 2002 was a great building year, the county started 2003 out with a whimper. Compared to the first quarter of 2002, first quarter 2003 construction values are down by 21 percent. A dip in nonresidential construction takes responsibility for most of the decline.

Total Beaver County Approved Construction Values



Source: Utah Bureau of Economic & Business Research.

Interestingly, while the number of new homes authorized during the quarter declined, the value of these home increased. A notable improvement in residential additions/alterations/repairs also helped moderate the nonresidential value decrease.

Sales Confound

Beaver County's gross taxable sales performance proved truly bizarre with a 190-percent increase during the fourth quarter of 2002. This overwhelming gain can be traced to a huge anomalous increase in miscellaneous retail trade sales. Without this exorbitant gain, Beaver County gross taxable sales were up less than 3 percent. While not robust, this gain is still honorable and represents improvement for most industries.

Forward thinking

Beaver County presents no clear economic signals. Job growth can't seem to settle into a fixed trend and other indicators send mixed messages. Of course, construction of the new pig manure to fuel facility should provide a welcome boost to the county in the months ahead.

Lecia Parks Langston, Regional Economist
lecialangston@utah.gov, 435-688-3115



Quick Facts

April 2003

Unemployment Rate

Beaver County	4.9%
Utah	5.3%
U.S.	6.0%

Dec 2002 Change from Previous Year

Job Growth

Beaver County	-1.1%
Utah	0.2%
U.S.	-0.2%

1st Qtr 2003 Change from Previous Year

Construction Values

Beaver County	-21.1%
---------------	--------

4th Qtr 2002 Change from Previous Year

Sales

Beaver County	186.2%
---------------	--------

Source: Utah Dept of Workforce Services,
 Bureau of Labor Statistics,
 Utah Tax Commission,
 Bureau of Econ & Business Research.

For more economic information about Beaver County see:
<http://jobs.utah.gov/wi/regions/county.asp>

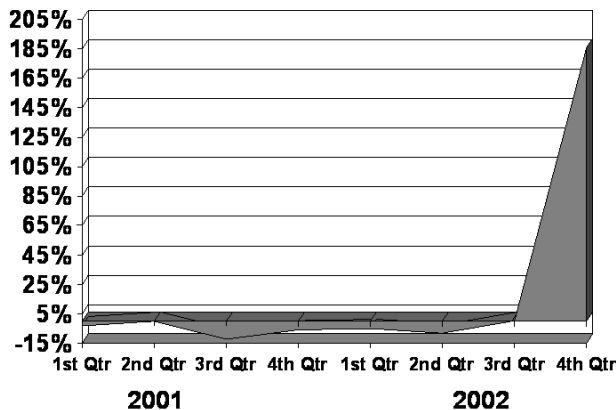
State of Utah

Utah Department of Workforce Services

140 East 300 South
PO Box 45249
Salt Lake City, UT 84145-0249

ADDRESS SERVICE REQUESTED

Year-Over Change in Beaver County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.

What's Up?

- Circle Four Farms is on track with plans to build a \$20-million facility to convert pig manure into fuel. The farm will supply manure from the 1 million pigs it raises annually for the process. The project will be run by BEST Biofuel, LLC, a company being created for that purpose and in which Smithfield is the primary partner. Construction of the plant will be funded through Beaver County, which last week voted to issue about \$15 million in industrial revenue bonds to be paid back with earnings from sales of the additive/lubricant.

For more economic events, see:

<http://jobs.utah.gov/wi/Regions/western/beaver/beaveree.pdf>



Utah!
Where ideas connect™

Equal Opportunity Employment Program
Auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128

